

STATE OF SOUTH CAROLINA

(Caption of Case)

Application of Southern Digital Network, Inc. d/b/a
FDN Communications and NuVox Communications,
Inc. for Approval of an Internal Corporate
Reorganization

BEFORE THE
PUBLIC SERVICE COMMISSION
OF SOUTH CAROLINA

COVER SHEET

DOCKET
NUMBER: 2007 - - C

(Please type or print)

Submitted by: John J. Pringle, Jr.SC Bar Number: 11208Telephone: 803-343-1270Fax: 803-799-8479Address: Ellis, Lawhorne & Sims, PAPO Box 2285Columbia SC 29202Other: Email: jpringle@ellislawhorne.com

NOTE: The cover sheet and information contained herein neither replaces nor supplements the filing and service of pleadings or other papers as required by law. This form is required for use by the Public Service Commission of South Carolina for the purpose of docketing and must be filled out completely.

DOCKETING INFORMATION (Check all that apply)

☐ Emergency Relief demanded in petition☐ Request for item to be placed on Commission's Agenda expeditiously☐ Other:

INDUSTRY (Check one)

- ☐ Electric
☐ Electric/Gas
☐ Electric/Telecommunications
☐ Electric/Water
☐ Electric/Water/Telecom.
☐ Electric/Water/Sewer
☐ Gas
☐ Railroad
☐ Sewer
☒ Telecommunications
☐ Transportation
☐ Water
☐ Water/Sewer
☐ Administrative Matter
☐ Other:

NATURE OF ACTION (Check all that apply)

- | | | |
|--|--|---|
| <input type="checkbox"/> Affidavit | <input type="checkbox"/> Letter | <input type="checkbox"/> Request |
| <input type="checkbox"/> Agreement | <input type="checkbox"/> Memorandum | <input type="checkbox"/> Request for Certification |
| <input type="checkbox"/> Answer | <input type="checkbox"/> Motion | <input type="checkbox"/> Request for Investigation |
| <input type="checkbox"/> Appellate Review | <input type="checkbox"/> Objection | <input type="checkbox"/> Resale Agreement |
| <input checked="" type="checkbox"/> Application | <input type="checkbox"/> Petition | <input type="checkbox"/> Resale Amendment |
| <input type="checkbox"/> Brief | <input type="checkbox"/> Petition for Reconsideration | <input type="checkbox"/> Reservation Letter |
| <input type="checkbox"/> Certificate | <input type="checkbox"/> Petition for Rulemaking | <input type="checkbox"/> Response |
| <input type="checkbox"/> Comments | <input type="checkbox"/> Petition for Rule to Show Cause | <input type="checkbox"/> Response to Discovery |
| <input type="checkbox"/> Complaint | <input type="checkbox"/> Petition to Intervene | <input type="checkbox"/> Return to Petition |
| <input type="checkbox"/> Consent Order | <input type="checkbox"/> Petition to Intervene Out of Time | <input type="checkbox"/> Stipulation |
| <input type="checkbox"/> Discovery | <input type="checkbox"/> Prefiled Testimony | <input type="checkbox"/> Subpoena |
| <input type="checkbox"/> Exhibit | <input type="checkbox"/> Promotion | <input type="checkbox"/> Tariff |
| <input type="checkbox"/> Expedited Consideration | <input type="checkbox"/> Proposed Order | <input type="checkbox"/> Other: <u> </u> |
| <input type="checkbox"/> Interconnection Agreement | <input type="checkbox"/> Protest | <u> </u> |
| <input type="checkbox"/> Interconnection Amendment | <input type="checkbox"/> Publisher's Affidavit | |
| <input type="checkbox"/> Late-Filed Exhibit | <input type="checkbox"/> Report | |

Print Form

Reset Form

ELLIS:LAWHORNE

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September 28, 2007

FILED ELECTRONICALLY AND ORIGINAL VIA HAND-DELIVERY

The Honorable Charles L.A. Terreni
Chief Clerk
South Carolina Public Service Commission
Post Office Drawer 11649
Columbia, South Carolina 29211

RE: Application of Southern Digital Network, Inc. d/b/a FDN Communications
and NuVox Communications, Inc. for Approval of an Internal Corporate
Reorganization, **Docket No. 2007-___-C, Our File No. 528-10098**

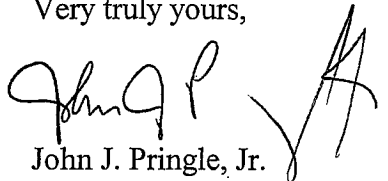
Dear Mr. Terreni:

Enclosed is the original and one (1) copy of the **Application** in the above-referenced matter.

Please acknowledge your receipt of this document by file-stamping the copy of this letter enclosed, and returning it in the enclosed envelope.

If you have any questions or need additional information, please do not hesitate to contact me.

Very truly yours,



John J. Pringle, Jr.

JJP/cr

cc: Office of Regulatory Staff Legal Department (via first-class mail service)
Susan Berlin, Esquire (via electronic mail service)
Melissa Conway, Esquire (via electronic mail service)
Enclosures

**THIS DOCUMENT IS AN EXACT DUPLICATE OF THE E-FILED COPY SUBMITTED TO
THE COMMISSION IN ACCORDANCE WITH ITS ELECTRONIC FILING INSTRUCTIONS.**

In the Matter of the Application of
Southern Digital Network, Inc.
d/b/a FDN Communications
and NuVox Communications, Inc.
for Approval of an Internal Corporate
Reorganization

Southern Digital Network, Inc. d/b/a FDN Communications (“SDN”) and NuVox Communications, Inc. d/b/a NuVox Communications (“NuVox”) (together, “Applicants”), both subsidiaries of NuVox, Inc.,¹ by their counsel and pursuant to 58-9-300 and 310, hereby respectfully request authority from the South Carolina Public Service Commission (“Commission”), to the extent it may be required, to consummate an internal corporate reorganization whereby SDN and NuVox will be consolidated into a single operating subsidiary: NuVox. This internal reorganization will simplify NuVox, Inc.’s corporate structure, streamlining its operations, eliminating administrative redundancy and improving overall efficiency. NuVox already is authorized by the Commission to provide telecommunications services in South Carolina and will continue to serve its customers, in addition to the former customers of SDN, pursuant to its existing authorization. NuVox, Inc. will remain the ultimate parent company of NuVox with the same ownership as at present.

1 The Commission was notified of the transfer of ultimate control of SDN to NuVox, Inc. on June 20, 2007. As a result of the transfer of control, SDN became a wholly-owned subsidiary of FDN, LLC, which is a wholly-owned subsidiary of NuVox, Inc. NuVox is a wholly-owned subsidiary of Gabriel Communications Finance Company, which is a wholly-owned subsidiary of NuVox, Inc.

Specifically, as described in more detail below, the Applicants propose that SDN will be merged with and into its affiliate, NuVox, and the customers of SDN will become customers of NuVox. For existing SDN customers, the only change will be in the name of their service provider – their existing rates, terms and conditions of service will remain the same. Existing NuVox customers will be unaffected by the proposed transaction. The consolidation is not expected to result in any loss or impairment of service to any of the customers of SDN or NuVox. Any future changes in the rates, terms and conditions of service will be made pursuant to Commission requirements.

Due to the timing of the Applicants' business plans, it is respectfully requested that the Commission take any action necessary to approve this Application at its earliest convenience and, in any event, no later than *December 1, 2007*.

In support of this Application, the Applicants provide the following information:

I. APPLICANTS

NuVox, Inc. is a privately-held Delaware corporation located at Two North Main Street, Greenville, South Carolina 29601. Through its operating subsidiaries, NuVox, Inc. has operations in 48 markets throughout 16 contiguous Midwestern and Southeastern states. The company is a rapidly growing facilities-based integrated communications provider of voice and data telecommunications services to business customers. Currently, the following two (2) investors hold 10% or more of the total outstanding stock of NuVox, Inc.: (1) M/C Venture Partners, through various stockholders (28.1%); and (2) NSHI Ventures LLC (11.5%). As noted above, the ownership of NuVox, Inc. will not change as a result of the reorganization.

NuVox, Inc.'s subsidiary, NuVox, a Delaware corporation, provides interexchange and competitive local exchange telecommunications services in the following states: Alabama, Florida, Georgia, Kentucky, Louisiana, Mississippi, North Carolina, South Carolina and Tennessee. In South Carolina, NuVox provides local exchange and interexchange services.² NuVox will continue to provide telecommunications services pursuant to its existing authorization following the reorganization.

NuVox, Inc.'s subsidiary, SDN, a Delaware corporation, provides voice and data services to business customers. SDN is also authorized to provide interexchange and competitive local exchange telecommunications services in the following states: Alabama, Georgia, Kentucky, Louisiana, Mississippi, North Carolina, South Carolina and Tennessee. In South Carolina, SDN is authorized to provide local exchange and interexchange services.³ SDN will be merged out of existence as a result of the consolidation; thus, SDN voluntarily surrenders its telecommunications authorization effective as of the closing date of the consolidation.

NuVox, Inc. also has subsidiaries, all Delaware corporations, that provide interexchange and competitive local exchange telecommunications services in the following states: Arkansas, Illinois, Indiana, Kansas, Missouri, Ohio and Oklahoma.⁴ In

² See Order No. 98-395, Docket 98-129-C on 5/29/98, name change from State to TriVergent granted via Order No. 1999-591 on August 19, 1999 (Docket No. 98-129-C), name change from TriVergent to NuVox Communications, Inc. granted via Order No. 2001-758 on August 16, 2001 (Docket No. 98-129-C). NuVox-NewSouth merger and associated transactions approved in Docket 2004-272-C, Order No. 2004-634 on 12/21/04.

³ See Docket No. 2004-89-C, Order No. 2004-350, September 30, 2004.

⁴ NuVox Communications of Arkansas, Inc., NuVox Communications of Illinois, Inc., NuVox Communications of Indiana, Inc., NuVox Communications of Kansas, Inc., NuVox Communications of Missouri, Inc., NuVox Communications of Ohio, Inc. and NuVox Communications of Oklahoma, Inc.

Florida, FDN, LLC d/b/a FDN Communications f/k/a NuVox Transition Subsidiary, LLC, a Delaware limited liability company, is authorized to provide interexchange and competitive local exchange telecommunications services.⁵ NewSouth Communications of Virginia, Inc., a Virginia corporation that is wholly owned by NuVox, is authorized to provide telecommunications services in Virginia. NuVox, Inc. also is authorized by the Federal Communications Commission ("FCC") to provide domestic interstate and international telecommunications services.

A diagram showing the current corporate structure of NuVox, Inc. is appended hereto as **Exhibit A**.

II. DESIGNATED CONTACTS

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⁵ FDN, LLC d/b/a FDN Communications f/k/a NuVox Transition Subsidiary, LLC will also be merged into NuVox Communications, Inc. as part of the internal reorganization.

III. DESCRIPTION OF THE TRANSACTION

The consolidation of the operating subsidiaries of NuVox, Inc. in South Carolina into a single entity, NuVox, is anticipated to occur via the merger of SDN with and into NuVox, with NuVox remaining as the surviving corporation and assuming all of SDN's assets and operations. As a result of the reorganization, NuVox will provide service to its existing customers as well as the former SDN customers pursuant to NuVox's existing authorization. NuVox will remain wholly owned by NuVox, Inc. The closing of the transaction will be contingent upon the receipt of the required regulatory approvals among other things.

The proposed transfer of customers from SDN to NuVox will have no adverse impact on customers. The SDN customers will continue to receive their existing services at the same rates, terms and conditions that they have prior to the transfer and any future changes in the rates, terms and conditions of service will be made consistent with Commission requirements. To ensure a seamless transition and avoid customer confusion or inconvenience, NuVox will provide advance written notice to the affected customers at least thirty (30) days prior to the transfer, explaining the change in service provider in accordance with applicable FCC and Commission requirements for changing a customer's presubscribed carrier. A copy of the notification letter that will be sent to affected customers will be provided to the Commission or the ORS upon request.

NuVox will file amended tariffs to include both all grandfathered legacy SDN services and all legacy SDN services that will continue to be marketed in the future by NuVox. After the tariffs are filed and the reorganization is consummated, SDN will cancel or withdraw its tariffs. Thus, the customers to be transferred from SDN to NuVox

will not experience any change in their telecommunications services. The only change will be their new service provider: NuVox.

A diagram showing the corporate structure of NuVox, Inc. post-consolidation is appended hereto as Exhibit B.

IV. PUBLIC INTEREST CONSIDERATIONS

The proposed internal reorganization will serve the public interest. As noted above, the reorganization will generally be transparent to customers and will have no adverse impact on them. Existing SDN customers will be properly notified of the change in their service provider from SDN to NuVox and will continue to receive the same services at the same rates, terms and conditions of service. The reorganization will be entirely transparent to existing NuVox customers who will continue to be served by NuVox. The proposed consolidation will provide significant reductions in legal, accounting and tax administrative burdens and will simplify the NuVox, Inc. companies' corporate structure, eliminating administrative redundancy and improving the companies' overall efficiency, thereby enhancing the company's ability to compete in South Carolina and elsewhere. Over time, consumers in South Carolina will benefit from a greater number of product and service options as well as more efficient prices resulting from the enhanced ability of the streamlined company.

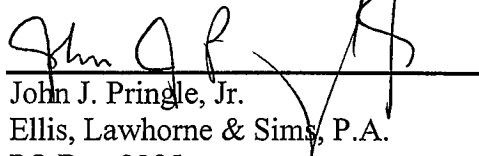
Upon completion of the internal reorganization, the ultimate ownership of NuVox will be identical to its existing ownership. Thus, there should be no question about the qualifications of NuVox and its ultimate parent, NuVox, Inc., to operate in the public interest as the reorganization will not cause any meaningful change in the ownership, financial condition or services of the operating subsidiaries.

V. CONCLUSION

Based on the foregoing, the Applicants respectfully submit that the public interest, convenience, and necessity would be furthered by grant of this Application. Applicants respectfully request approval by *December 1, 2007* so that they may meet critical business objectives.

Respectfully submitted,

NuVox Communications, Inc. d/b/a
NuVox Communications
Southern Digital Network, Inc.
d/b/a FDN Communications



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Their Counsel

Date: September 28, 2007

EXHIBIT A -- CURRENT CORPORATE STRUCTURE

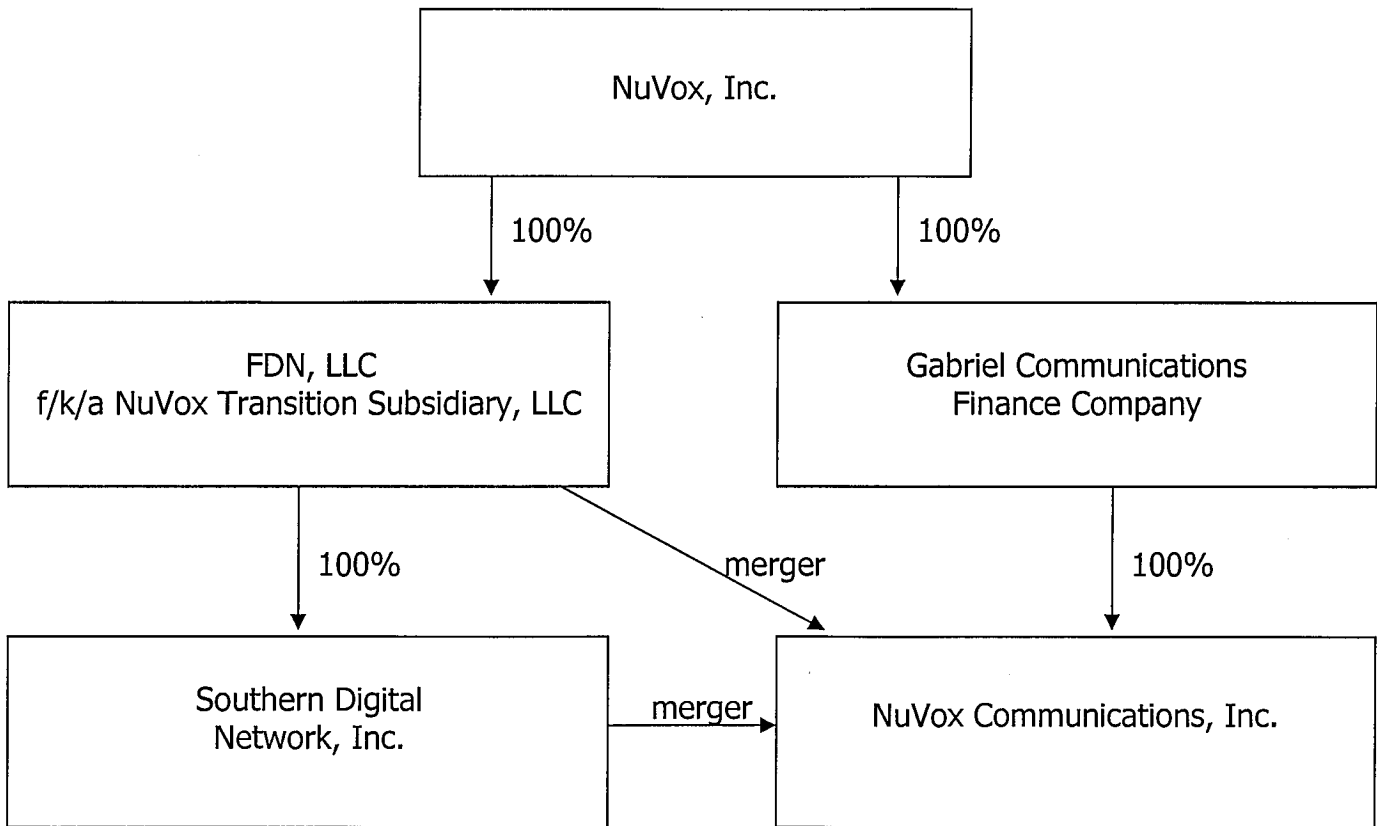
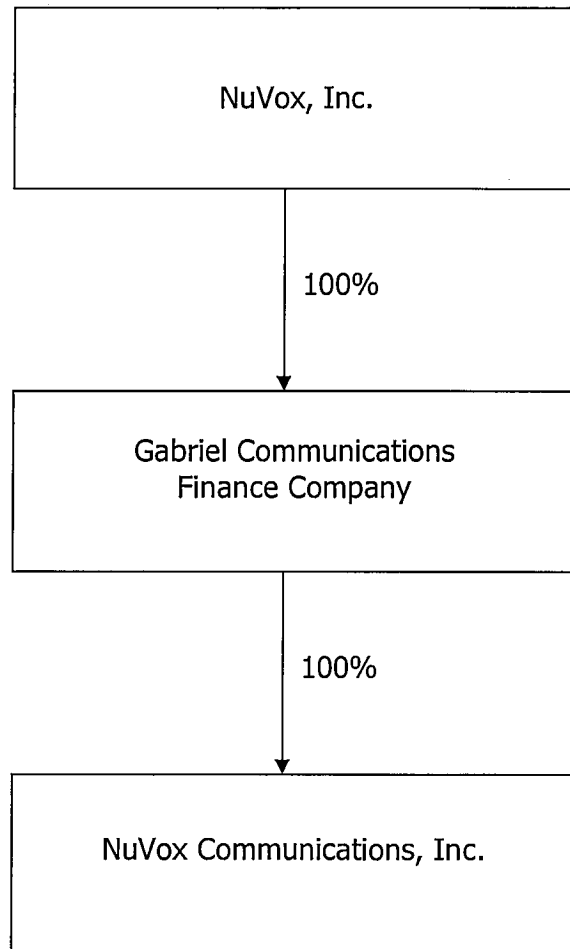


EXHIBIT B-- CORPORATE STRUCTURE POST-CONSOLIDATION



PUBLIC SERVICE COMMISSION OF SOUTH CAROLINA

DOCKETING DEPARTMENT

NOTICE OF FILING

DOCKET NO. 2007-__-C

Southern Digital Network, Inc. d/b/a FDN Communications ("SDN"), and NuVox Communications, Inc. d/b/a NuVox Communications ("NuVox"), (together the "Applicants") have filed with the Public Service Commission of South Carolina (the Commission) a Joint Application for authority to consummate an internal corporate reorganization whereby SDN and NuVox will be consolidated into a single operating subsidiary: NuVox. The Joint Application was filed pursuant to South Carolina Code Ann. Sections 58-9-300 and 58-9-310. Specifically, SDN will be merged with and into its affiliate, NuVox, and the customers of SDN will become customers of NuVox.

A copy of the Application is on file in the offices of the Public Service Commission of South Carolina, 101 Executive Center Drive, Columbia, South Carolina 29210, the Commission's website at www.psc.sc.gov, and is available from John J. Pringle, Jr., Esquire, ELLIS LAWHORNE & SIMS, P.A., P. O. Box 2285, Columbia, SC 29202.

Any person who wishes to participate in this matter, as a party of record with the right of cross-examination should file a Petition to Intervene in accordance with the Commission's Rules of Practice and Procedure, on or before _____ and indicate the amount of time required for his presentation. *Please refer to Docket No. 2007--C.*

Any person who wishes to testify and present evidence at a hearing (if scheduled) should notify the Docketing Department in writing at the address below, the Office of Regulatory Staff at Post Office Box 11263, Columbia, South Carolina 29211, and John J. Pringle, Jr., Esquire, at the above address in writing, on or before _____, and indicate the amount of time required for his presentation. *Please refer to Docket No. 2007--C.*

Any person who wishes to be notified of the hearing date (should one be held in this Docket), or any changes in a scheduled hearing date, but does not wish to present testimony or be a party of record, may do so by notifying the Docketing Department in writing at the address below on or before . *Please refer to Docket No. 2007--C.*

PLEASE TAKE NOTICE: Any person who wishes to have his or her comments considered as part of the official record of this proceeding **MUST** present such comments, in person, to the Commission during the hearing.

Persons seeking information about the Commission's Procedures should contact the Commission by dialing (803) 896-5100.

Public Service Commission of South Carolina
Attn: Docketing Department
Post Office Drawer 11649
Columbia, South Carolina 29211